

**CITY OF MIAMI BEACH**  
**Office of the City Manager**  
**Letter to Commission No. 265-2004**



**To:** Mayor David Dermer and  
Members of the City Commission

**Date:** October 8, 2004

**From:** Jorge M. Gonzalez  
City Manager

**Subject: MIAMI BEACH ARTS TRUST**

This Letter to Commission (LTC) is in response to your request for a report of the Cultural Arts Council and Miami Beach Arts Trust's private funding efforts during the budget hearing on September 28, 2004.

As you know, the Miami Beach Arts Trust (Arts Trust) is a 501(c)3 tax -exempt corporation, registered with the Florida office of Corporations on April 26, 1999 and recognized as a charitable organization with the State of Florida. The Arts Trust was created by the City of Miami Beach and the Cultural Arts Council (CAC) in 1999. The Arts Trust original mission was to support the work of the CAC by working to build a financial endowment for the arts in Miami Beach.

In FY 2003/2004 the CAC and Arts Trust procured the services of Organization Advancement Associates, Inc. to complete two studies that, together, analyzed the City of Miami Beach as an arts and cultural destination, analyzed the Miami Beach Arts Trust's ability to raise significant private funding, and develop a fundraising program that would compliment the efforts of the CAC. These studies were presented to the City Commission at the January 8, 2004 Cultural Affairs Workshop and described a variety of best practices and approaches that both governments and non-profits employ to stimulate private income.

In brief, Organization Advancement Associates, Inc. stated that the City was wise to incorporate the Arts Trust as a fund-raising nonprofit. However, the report noted that the Arts Trust official By-laws requirement of a Board, composed of independent volunteers as well as members of the Commission-appointed Cultural Arts Council, violates a fundamental principal of best practices in arts and cultural fund-raising. Many of these non-profit agencies operate with complete legal separation from government and with total organizational transparency. This is essential for them to lead the private sector and philanthropic community to their fullest income potential. They become the key leadership organization with a mission to identify and attract business and community leaders.

The report also went on to make the following recommendations:

1. Establish the Arts Trust as a truly separate 501(c)3, independent of the City of Miami Beach and of the Cultural Arts Council.

2. Establish an independent Board of Directors of the Arts Trust, with strong business and philanthropic leadership credentials, to lead the private effort to create a long-term infrastructure of local, regional and national financial and cultural development support for arts and culture on Miami Beach.
3. Write a strategic operations and action plan to define the priorities of the Arts Trust in the first year of its independent status.
4. Develop a systematic, membership and fund-development plan of the Arts Trust to attract a diverse community of members, new donors. Raise money that is "new" to Miami Beach and identify new income streams that do not compete with existing efforts.
5. Establish an annual advocacy campaign to clarify the City's arts and cultural assets and value, and to educate and attract a growing number of supporters at all levels, including residents of Miami Beach.

Since that time, the Arts Trust has separated itself from the City of Miami Beach and the Cultural Arts Council. Because the Arts Trust is an independent 501(c)3 tax-exempt corporation, they have no organizational link to the City of Miami Beach nor does the City of Miami Beach retain administrative control over this organization. A recent flier promoting one of their events states that the Arts Trust's mission is "to help build financial support, public awareness of, and participation in arts and culture, through the providing information, advocacy, awareness and support to individual artists and to local, national and international arts organizations." It also states that they are managed by a Board of Directors and indicates that an Advisory Board exists also. At this time, the City is aware that the Arts Trust has held several events/fundraisers, but the results of those efforts are unknown.

As it regards the CAC, they have created three task forces (Finance, Facilities, and Marketing and Communications) to work simultaneously on a number of objectives. The Finance Task Force focused its efforts on the increased quality of life funding allocated by the City and how best to use those funds in fiscal year 2004/2005. The CAC as a whole is also looking at collaborative opportunities with a number of cultural arts groups in the community. However, private fundraising has not been discussed to date. If you would like the CAC to address this subject, recommend alternatives or develop an action plan for private fundraising, please advise and it will be added to their next agenda for discussion.

Should you have any questions, please feel free to contact me.

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c: Christina M. Cuervo, Assistant City Manager  
Kathie Brooks, Director, Office of Budget and Performance Improvement  
Max A. Sklar, Acting Director, Tourism and Cultural Development Department

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